

Documents on Diplomacy: The Source

Is Neutrality Possible for America? *An Article by Senator Gerald P. Nye, 1939*

WHEN the World War came to an end, with its appalling waste of human life and of material resources as well, with its aftermath of depression from which we are still suffering, we were all resolved never to let it happen again. Today, every newspaper reader knows how close the world may be to another holocaust—completely fatal, perhaps, to civilization as we cherish it. Woodrow Wilson's charge to his countrymen to be "neutral in thought and deed" fell upon many unwilling ears. We were the witnesses of the violation of Belgium, involving the disregard of a solemn international undertaking; we believed that we were called upon to act in defense of a civilization and a political theory more precious than life itself. Today, we in America are not so certain that we have a mission to perform in settling the quarrels of the Old World. We are not even sure that we are competent to decide in all cases as to the justice of the dispute: we are, however, profoundly convinced that the method of war is no way to bring about the establishment of justice, political freedom, or peace itself. The best place for us to exert our influence to establish these blessings is in our own country. Those of us who see in the strict application of the principle of neutrality a way by which America may save herself from being drawn into an impending conflict are used to meeting the bitter insinuation that we belong in the "peace-at-any-price" ranks, that we are "spineless pacifists," or "fatuous isolationists." But I should like to ask what possible shame can attach to America for taking advantage of both her geographical and historical position to keep out of the present chaos in Europe? What shame is there in trying to limit the area of conflict rather than extend it? What ethical obtuseness in attempting to keep one clear pool of sanity in the world?

There is little doubt in any one's mind today that the European situation means trouble for us in America. That it is a challenge is beyond debate. How we are to meet the challenge is a matter upon which there are divergent opinions. As between a so-called "collective security," the terms of which have never yet been clearly defined, and a policy of neutrality which will involve some sacrifice of profits and even of something superficially accepted as prestige, I prefer the policy of neutrality—the planned intention of keeping out of other people's wars.

One way to approach the subject of neutrality is to inquire closely what neutrality is not.

AMERICA IS AS AMERICA DOES

The United States has a way of saying to the nations of the world, "Oh, if only you were all as peace-loving as we are, we could get out from under the terrific burdens involved in preparing for war! If only other nations would follow our example!" Suppose we scrutinize for a moment our example. When Congress voted to spend billions of dollars in a gigantic national recovery program, what was the first use we made of this money? The very first allocation, for 231 million dollars was turned over by executive order to the United States Navy for the building of more ships. More ships, to get ready for another war, to be followed by another depression, and another spending program, including more ships! If only other nations would follow our example!

No one is more jealously interested in my country's maintaining adequate national defense than I am. But I am sick of the things that are being done in the name of the national defense. For ten years I have sat upon the Senate Appropriations Committee. For ten years, without a miss in any one year, I have listened to talk about the perils of war with Japan, and I am reporting the exact truth when I say that the annual war scare always comes just before the introduction of the annual appropriation bills for the army and navy. When those bills are enacted into law, there is an immediate improvement in the relations between Japan and the United States.

When President Roosevelt was assistant secretary of the navy, he wrote an article for Asia in which he remarked that there wasn't any likelihood of war between these two countries so long as five cents' worth of common sense remained in either of them. In the kind of war which Japan and America would have to fight, if they fought at all, he believed there would be no possibility of a decisive victory for either nation; that such a war could end only when one or the other country bled to death through the pocketbook; that "war" between Japan and the United States was nothing more than the result of an apprehensive habit of mind. But suppose relations between these two countries are really strained—as the proponents of a big shipbuilding program would lead us to infer—is it common sense for us to send our warships near Japanese

waters—thousands of miles away from our shores, and right under the noses of the Japanese—for signal practice and maneuvering? A recent visit to Japan convinced me that the worst phase of this rivalry in shipbuilding, this exhibitionism, and the general policy of preparation for a war that is not national defense is the mutual distrust which it engenders. While so many of our citizens are made to fear Japan's intentions, the people of Japan are being agitated by their own military leaders, and by our own aggressiveness, into fear that the United States is preparing to attack Japan. Thus the way is cleared for increased appropriations for the "defense" of the Japanese. It is a game that has no end. Here, at least, is one nation that has followed our example.

Now, I am convinced that if Japan had a navy twenty times its present size she couldn't get within several hundred miles of our shore under conditions of modern warfare that depend upon the use of airplanes, submarines, and coast defenses. Nor could we get within striking distance of her coasts. The truth is that our military plans are not built up and financed on a reasonable basis of true national defense. If they were, we should have a different allocation of funds—more for coast defenses, for instance, and less for battleships. Even before the introduction of the President's national defense program for 1938, we were spending in the neighborhood of a billion dollars a year for our army and navy, of which fabulous sum the navy has been receiving about 600 million dollars. During this period the rise in appropriations for the army was 150 million dollars. To what astounding figures we shall aspire no man knows, but the present additional appropriation for the navy under the Vinson Act amounts to 200 million dollars.

What a pity it is that other nations are not as peace-minded as ourselves! And as little inclined to go in for armament races! And, make no mistake, these huge appropriations as at present allocated can by no stretch of the imagination be considered essential to the national defense, even if we include in that the defense of Alaska, the Panama Canal, Hawaii, and Puerto Rico. Our appropriations are built around blueprints that call for the transportation of three million men across thousands of ocean miles to fight, I presume, in the name of national defense, on somebody else's land, or in someone else's waters. It is largely for these outlays that the people of America are shouldering a load of taxation that is growing heavier every year. It is a burden that will cripple America as surely as it has already crippled nations of the Old World. It is a burden the only escape from which is to make the war machine pay for itself by wars of aggression carried on by ruthless dictatorships.

SOCIAL BENEFITS SACRIFICED TO WAR

But there is still another side to this outlay for war preparedness and the conduct of war. What alternative use could we have made, for instance, of the money that four years of war cost this world?

Dr. Nicholas Murray Butler has made an inventory of what we could do for mankind if we had that money today. We could buy five-acre plots of land at \$100 an acre, build homes upon the land costing \$2,500, furnish them for \$1,000, and give such a home scot-free to every family resident (in 1935) in Russia, Italy, France, Belgium, Germany, Scotland, Ireland, Wales, England, Australia, Canada, and the United States. Every city of approximately 20,000 people in those countries could have a two million dollar hospital, a three million dollar library, and a ten million dollar university. With part of the balance invested at five per cent, we could pay salaries of a thousand dollars apiece to 125,000 teachers and 125,000 nurses, and then we would have enough money left to buy up every penny's worth of property in Belgium and in Germany. Think of the social benefits the world has sacrificed to pursue a war which brought us all only a depression and more war!

Or suppose we think only of what is actually happening in our own country every year. When the appropriation for the Office of Education comes before Congress, the legislators begin at once to quibble. They take out their knives and whet them, and then they proceed to cut those appropriations to the bone. The same thing happens with the appropriation for the State Department. This department is maintained at the cost of something like a paltry thirteen million dollars a year. But suppose someone should have the temerity to propose an additional million in order that the Secretary of State might enlarge the scope of his activities in the name of world peace. Such a proposal would be laughed out of court. Men would say, "What! Increase our budgets in times like these? The man is mad!"

But when the appropriations for the maintenance of the army and navy come before Congress, our economists in the House and the Senate are as silent as the grave. There isn't any fear then about increasing budgets. So well does the cry of "preparedness" do its work, that I once proposed to a body of teachers that they should learn to call education National Defense, and I presume a similar shibboleth could be invented for the advancement of the state department.

Now, what possible explanation can be found for this inconsistency and madness?

PROFITEERS IN WAR MATERIALS

Let me remind you of a few outstanding facts with regard to the methods of doing business in the materials of war. These facts were revealed in the course of the investigations by the Senate Munitions Committee.

I have already mentioned that the first money allocated under the national recovery program went by executive order for the building of warships. Before any member of Congress knew that

shipbuilding was to be permitted under the public works program, the shipbuilders knew it. Less than two weeks after that program had been enacted into law, on March 14, 1933, to be exact, one of the lobbyists wrote to the shipbuilders that he thought it would be very wise if his employers would "come down to Washington and talk things over with the gang." When the Munitions Committee asked him to be a little more explicit as to his reference to "the gang," this lobbyist refused for more than an hour to answer our question. We reminded him that although counsel who advise a witness not to answer questions never go to jail, witnesses themselves, acting upon the advice of counsel, do go to jail. The witness thereupon named certain admirals and commanders in the United States Navy and certain officials in the navy department. There was a good deal of testimony bearing on the rather close relations that were maintained between the officials of our navy and the ship-builders. The president of one of the great shipbuilding companies wrote as follows to his board of directors:

I know from my talks with some of the representatives of the navy that they are desirous of finding substantial reason for awarding this work to the largest possible extent to our private yards rather than to the government's own ship-building yards. There was also expressed to us the desire that the builders themselves get together and agree, as far as we could, upon what each would bid, and then bid on nothing else.

So here is the spectacle of our own navy helping these shipbuilders to plunder Uncle Sam! The letter goes on to state that, according to the writer's understanding, "This would mean for Bethlehem twenty-eight million dollars, Newport News thirty million dollars, and for the New York Ship Building Company twenty-eight million dollars." When the bids were opened ten days later, it was revealed that this official had not missed his guess by a single ship. The pie had indeed been divided into precisely these nearly equal parts. Those who have learned to play this national defense racket know what they are doing at every turn of the road. And mark the fact that there are always two parties to a racket. Let me quote from a letter written by a member of Congress who had been of great assistance to the shipbuilders at the time of this public works episode:

As you perhaps know [he is addressing the shipbuilders], a Congressman must derive some of his income from other sources than being a member of the House of Representatives.

He then goes on to explain what kind of business he is in and just how the shipbuilders can put dollars in his pocket by buying from his company. Of course that is not bribery; it is just good business, and besides it is in the name of national defense. I have used illustrations that happen to concern the shipbuilders,

but I might equally as well have chosen testimony involving the ammunition makers and the makers of ordinance. These racketeers maintain a very expensive lobby in Washington. The record now on file contains overwhelming evidence of their activities, and the evidence is derived in great measure from their own letters. Some of the letters concern their attempt to prevent the passage of the Nye resolution calling for the munitions investigation. There is also evidence of their deliberate and methodical purpose to wreck disarmament conferences. It was the president of the Bethlehem Ship-building Company who testified to what a horror he had of war. He said he was sure that all businessmen in America would strenuously oppose these mad naval races if they could have their way. But that did not prevent his company from paying one-third of the cost of sending a representative to the Geneva Disarmament Conference in 1926. You may remember some of his testimony. He stated that it was the navy, the officials of the Navy Department, who gave him secret documents and instructed him to go to Geneva to accomplish the wrecking of any disarmament program there. The navy told him to go and the shipbuilders paid the bill. And then we wonder why these conferences prove, one after another, to be such tragic failures. They will continue to be failures so long as we and the other nations send to them men trained in naval and military schools, or men who are acting primarily in the interests of the stockholders of munitions companies. This racket is an international racket, the business of which is to build up hate and fear and suspicion in all the countries of the world. Peru, for example, got advice from a commission of our naval experts, and on the strength of that advice she ordered a fleet of submarines and destroyers. When Colombia heard about that, she too wanted advice from a commission of our naval experts, and she too ordered submarines, as a defense, of course, against Peru's submarines. These orders were placed with American firms and were a cause for great self-congratulation on the part of American business. But suppose we send our boys down to those troubled waters some day to straighten out a difficulty which we as neighbor and adviser have been chiefly responsible for promoting? Statistics of the Bureau of Commerce show that day by day and week by week huge cargoes of munitions leave our shores for nearly every nation on the globe-including the Japanese nation, about whom the war propagandists have so much to say. Our boys couldn't go to war anywhere without having our own munitions fired back at them. And yet decent American businessmen will say that to have a war is the only way in which business will "pick up." They will tell you that, if we are to have adequate production capacity at home to meet the possible emergencies of war, we must increase the foreign market for American-made ships and American-made munitions. In other words, we must sell now to countries who may some day be our foes, in order that we may have productive capacity if and

when the rest of the world decides to use what we sold them against us. A good policy! Don't alter it. Don't rock the boat.

THE ARGUMENT FOR MANDATORY LEGISLATION

Enough has been said to make it plain to the reader what neutrality is not. These matters caused the country grave concern when they were revealed by the Munitions Inquiry; familiarity with them must not lead us to view them with indifference. The serious danger to our peace, to say nothing about our standards of common honor and decency, is so obvious that a way out of the bog in which we find ourselves must be found. A policy of strict neutrality, to become mandatory as soon as the war infection manifests itself, appears to be such a way of escape. The advantages of such mandatory legislation are easily apparent. Valuable time is saved at a critical moment in world affairs when a situation involving the question of our neutrality is settled automatically and in advance of the crisis. It is then the choice of no single individual and is not directed against the interests of any particular nation or group of nations. It is simply the law of the land, a law familiar to every foreign power. Nations intent upon war are given notice and may weigh for themselves the effect of such a policy upon their ability to buy arms and other war supplies in our markets. These are very definite advantages which cannot be lightly dismissed. To such a mandatory embargo against the shipment of munitions was added, specifically for our own protection against involvement in war, the so-called cash and carry provision.

PRACTICAL AND THEORETICAL PROBLEMS OF NEUTRALITY

Experience has taught us much since the passage of the compromise measure signed by the President in August, 1935. It has become clear that the cash and carry principle may work out in practice to the advantage of one combatant and the disadvantage of another. This is not neutrality. The embargo on shipments to Spain, as instigated by the Administration in January, 1937, was not neutrality; it was an effort at collective security, done in cooperation with England and France and their famous Non-Intervention Committee. It has become plain that certain commodities such as cotton and oil, which are legitimate and profitable exports upon which we rely for revenue in time of peace, become highly controversial and more than ever profitable in time of war. We cannot assume that public opinion today would support a mandatory embargo upon such exports, even though an embargo might be the means of checking war. We cannot assume that any executive would use his discretionary powers to list such exports as contraband in the face of strong popular dissent. We can, however, remind our people in season and out of the pitfalls that we fell into twenty years ago; and we can use every effort to educate them to resist the selfish influences which sometimes warp and destroy

their better judgment. Because of these selfish influences, neutrality in the strict sense of the word has never been tried.

Neutrality legislation as we have had it in America has been a makeshift imposed by conditions of haste and emergency and by a none too intelligent compromise between conflicting views—so much so that I moved recently for the repeal of the Neutrality Act. At the moment when its repeal seemed assured, it became the center of a whirlwind of activity from certain pressure groups among whom our Church groups were conspicuous because of their official sympathy with the Insurgent forces now fighting in Spain. It should also be plain to Americans that the passage of repeal would have acted as a checkmate upon the present policies of Great Britain.

NEUTRALITY AND FUTURE POLICY

The whole question of neutrality, both in principle and as it may be enacted into law, is one of such difficulty that much thought and research are needed before we can hope to arrive at an acceptable formula. We have made some gains. The creation of a Munitions Control Board, which is a provision for some degree of supervision over the manufacture, exportation, and importation of munitions is a move in the right direction. It must, in my opinion, lead ultimately to the government's becoming the manufacturer of its own national defense machinery and the court of last resort as to all questions involving the sale and export of munitions.

The discussion of the subject, which has been stimulated by the passage of the act and the important considerations which have developed as to its functioning, has exerted a wholesome influence upon American thought. Problems which had been confined to the consideration of diplomats and students of international law have been opened up for discussion among our citizens, and the bearing of such problems upon the all important question of the maintenance of peace is now becoming plain to everyone. When an American gunboat and Standard Oil tankers, huddled together in the waters of a nation at war, are torpedoed by military planes, the people are sobered, but they do not let the incident impel them to get into the war themselves. Their comments have a healthy skepticism: "What business had the gunboat to be there anyhow? I'll bet the gas that ran the motors in those bombing planes was delivered to Japan in the same tankers that were hit! And no doubt the shrapnel was made from some of the scrap iron we've been selling to Japan." There is no longer resentment against the doctrine that some degree of restriction must be laid upon the freedom of the individual to involve his country in any risks he may choose to take for his own profit or convenience in areas that are infected by war. Although the prohibition against loans to foreign countries engaged in war—which was one of the provisions of the original resolution—was never enacted into law, an informed public opinion has put bankers and governments on notice that such loans will not

be tolerated, even if and when the present restriction against loans to debtor nations is canceled. These are signs of greater maturity and self control in our attitude toward the problems of war. They indicate that the American people will soon make an unmistakable demand to be consulted by means of a war referendum before war is declared.

The legislative problem of taking the profits out of war and out of war preparedness has hardly as yet been approached. There is a bill now under discussion before Congress which has unfortunately become known as a bill to take the profits out of war. Our people will do well to scrutinize severely all legislation that is presented with that ostensible purpose. The bill to which I refer has been fathered by the American Legion, and is known as the Shepherd-May bill; it is a peculiarly wrong-headed and vicious example of "bargain" legislation, in which everybody gets something—except possibly the men who are to be killed on foreign battlefields in the next war. Perhaps the proponents of the measure do not expect to hear very much from them. At any rate, the bill undertakes to draft between two and three million men for "national defense"—an obvious smoke-screen for conscription for service overseas. There are other dangerous provisions against which we should be on our guard, as for example, the complete subjugation of our civil life to an undisguised dictatorship to be set up by the executive.

The drafting of labor under such a dictatorship would become a reality in everything but name, and organized labor would run the risk of dissolution.

As to the matter of war profits, there is a provision authorizing the President to freeze prices as of the date on which war is declared. This is supposed to be a threat to capital, giving it notice that there is no use trying to raise prices to make bigger profits. The experience of the country during the World War should be enough to show the futility of such an edict. At that time the steel companies refused to produce at certain prices, on the ground that some high-cost producers were making no profit. The increases they demanded were given them. But years later when the matter was investigated by the Senate, it was found that these very same high-cost producers had been making a profit of ninety per cent! History will repeat itself. The bill has a further provision for taking from the producer ninety-five per cent of profits above an average of the three years next preceding the year in which the United States becomes engaged in war. The immediate effect of that provision would be to put a premium on all sales of war material in peace time. Thus the bill would positively encourage war booms. Moreover, such firms as Carnegie Steel, the DuPont interests, or the Sperry Gyroscope concern who are now under contract and are making big profits, would scarcely be disheartened by the prospect of "only" five per cent additional profit during war time.

Those persons who put human life above property are also offered something in this proposed legislation, but it is only a few fine phrases. The treatment to be accorded citizens generally, and labor in particular, would depend upon the emotional reactions of the President, but the treatment to be accorded capital is specifically provided for in the terms of the bill. Be assured, moreover, that the next war, as it is envisaged by the military and naval experts who force our appropriations, is a war to be fought on foreign soil and in distant waters. It is for this reason that bills calling for unconditional power over the lives of men are being offered. In the event of invasion or attack by a foreign power, no conscription would be needed—men would flock to the defense of America unless, indeed, our war preparations burden us so heavily that education, health, housing, and social insurance of all kinds fall to so low a level that this country is no longer a country which men and women will spontaneously desire to save.

The truth is that unless a halt is called upon war preparations that are not for defense and upon the enactment of laws for the complete mobilization of our civil organization in wartime, America will succumb to war psychology and will be drawn inevitably into actual conflict. Neutrality, aided by the natural advantages of our physical so-called isolation, or neutrality, happily in cooperation with other nations, if that can be safely accomplished, appears to be the solution. It is a problem that challenges the best minds.

NEUTRALITY OR "COLLECTIVE SECURITY"?

There is no machinery left for collective action among the nations of the world today, unless we except the League of Nations, which has been called by its own adherents "futile and hopeless." There are certain military alliances. Is it proposed that we shall tack on to one or more of these to ensure our American security? There is something very puzzling about those alliances. It cannot have escaped your notice that England and France are demonstrating the amazing fact that there is something more precious to them than the saving of their own national existence, their own form of government—not to mention the independence of Austria, Spain, and Czechoslovakia. The thing that might actually ensure collective security in Europe is a firm military alliance with Russia, the most consistently peaceful of any of those three great powers. Such an alliance, however, would seem to be more abhorrent to France and Great Britain than is the loss of their own power, more abhorrent than the loss of peace itself.

When we are asked to underwrite a campaign for collective security, it is plain that we are not being invited to assist in the defense of powers, or to cooperate with powers that can properly be called democratic. The defense of the British and French empires, were we to lend ourselves to a policy of collective security

with those countries, would involve the continued subjugation of hundreds of millions of black and brown peoples among whom the spirit of revolt is already manifest. With Britain as our associate in a pledge of collective security, we should derive some protection from the activities of the British navy in Pacific waters where American interests ought not to lie. But do we want to pledge ourselves to help Britain hang on to the spoils of the last war? Hong Kong was Britain's toll from the unholy opium war. Do we want to help her to hold it? Collective effort is the way to win a hand in so doing.

It has been said that the leadership of the future lies with us; that it is henceforth for us to tell Great Britain and France what the terms of collective action are to be. Let me remind you, not cynically, but only in the interests of historic realism rather than of wishful thinking, that such leadership precisely was President Wilson's dream.

For better or worse, we are part of a world order, and it is always possible that challenges may come which we cannot ignore and which will take us as a cooperator into another world war. But let us refrain from writing the ticket of procedure even before we know who our allies are to be, what the cause is to be, what the jeopardy is going to be, what the cost is going to be, and, above all, what the chances of winning the cause for which we may be willing to fight. If America lends herself to participation in another foreign cause, she would do well to ask to see all the cards face up on the table before she consents to being collected into another collective

security program. In other words, our interest in world affairs does not extend to giving a blank check to all of Europe's confused and secretive diplomacy.

As to the inroads of fascism in South America, they can only be met by showing democracy to be preferable to anything that totalitarian dictators may have to offer. Scrupulous fairness in our trade and in our governmental relations with South America is the best form of insurance against the spread of fascist doctrine there. Not long ago President Roosevelt said, "We shun political commitments which might entangle us in foreign wars." And again, "We are not isolationists, except in so far as we seek to isolate ourselves completely from wars." May we continue to hew to that line here in America, strengthening our written neutrality policy which is intended to deny us the taste of profit from the blood of other nations' wars, and so checking our growing appetite for more and more of that profit. If we will cease letting American corporations, assisted by our military establishment, arm all the world with instruments of warfare; if we will stop financing other people's wars; if we will make profit from any other war in which we may engage impossible, and destroy as far as possible the motive of profit in our mad armament races; if we will learn to be content with a national defense that guarantees protection against attack; if we will give to the people a voice in determining whether this country shall engage in foreign war; if we will do these things, we shall not write off all danger of war, but we shall very definitely assure a fuller measure of security to the finest democracy to be found upon this earth. ■

Source

Vincent Ferraro Home Page at Mt. Holyoke College: Nye article from *Tomorrow in the Making*, edited by John N. Andrews and Carl A. Marsden (New York: Whittlesey House, 1939), pp. 420-35.

<http://www.mtholyoke.edu/acad/intrel/interwar/nye.htm>